

Message Text

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ACTION EUR-12

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E. O. 11652: N/A

TAGS: AORG, OECD, NATO

SUBJECT: 1974 GENERAL REVIEW OF SALARIES FOR THE
COORDINATED ORGANIZATIONS

REF: A) STATE 103394; B) USOECD 10561, C) USOECD 9612

1. SUMMARY. AT WP-12 MEETING, THERE WAS NO MOVEMENT POSITIONS ON PROPOSAL FOR STANDARD OF LIVING INCREASE FOR STAFF MEMBERS OF COORDINATED ORGANIZATIONS. /PP PROPOSING COST OF LIVING FORMULA TO CCG THAT WOULD DECREASE COST OF LIVING CHANGES SO INCREASES IN NET INCOME WOULD BE CLOSER TO THE NET LEVEL RECEIVED IN NATIONAL ADMINISTRATIONS. END SUMMARY. ACTION REQUESTED: REQUEST AUTHORIZATION TO APPROVE STANDARD OF LIVING INCREASE FOR B AND C GRADES AND WASHINGTON COMMENTS ON PROPOSED PROCEDURE FOR COST OF LIVING INCREASES.

2. DELEGATIONS IN WP CONTINUED REAFFIRM THEIR POSITIONS ON PROPOSED STANDARD OF LIVING INCREASE (REFS B AND C). WITH EXCEPTION US AND GERMANY, OTHER DELEGATIONS WILLING ACCEPT STANDARD OF LIVING INCREASE FOR A AND L GRADES AT LIMITED OFFICIAL USE

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AVERAGE BUDGET CHARGE OF 2.5. PROPOSED STANDARD OF

LIVING INCREASES FOR B AND C GRADES RANGE FROM THREE TO SIXTEEN PERCENT IN BELGIUM AND FROM FIVE TO FIFTEEN PERCENT IN FRANCE. THESE INCREASES ARE BASED ON SALARY SURVEYS IN HOST COUNTRIES THAT HAVE BEEN REVIEWED BY REPRESENTATIVES OF HOST COUNTRY AND REFLECT THE REDUCTION MADE BY WORKING PARTY.

3. AS RESULT EXTENSIVE DISCUSSIONS BETWEEN DELEGATES PRIOR WP MEETING (FRANCE, GERMANY, BELGIUM, NETHERLANDS AND US) A FORMULA FOR REDUCING COST OF LIVING ADJUSTMENT WAS DEVELOPED DURING WP-L2 MEETING THAT WAS SUPPORTED TO SOME EXTENT BY ALL BUT CANADIAN DEL. WP PROPOSES FORMULA FOR REDUCING COST OF LIVING ADJUSTMENTS SO THAT NET INCREASES IN COST OF LIVING ADJUSTMENTS WILL BE MORE IN ACCORD WITH INCREASES IN NET INCOME IN NATIONAL ADMINISTRATIONS. FOLLOWING DESCRIPTIVE FIGURES ARE DRAWN FROM PRESENT SCALE FOR FRANCE: A) NONPROFESSIONAL STAFF - GRADES C1 TO C4 AND B1 AND 2, ANNUAL BASE SALARY UNDER 31,000 FRANCS - GRANT FULL COST OF LIVING INCREASE; B) SENIOR NON-PROFESSIONAL STAFF AND LOWEST PAID PROFESSIONAL STAFF - GRADES C5 AND 6, B3 TO 5, L1 AND A1, ANNUAL BASE SALARY RANGE FROM 36,000 TO 56,000 FRANCS - GRANT 90 OF COST OF LIVING INCREASE; C) LOWER LEVEL PROFESSIONAL STAFF - GRADES B6, L2 A TO 4 AND A2 AND 3, ANNUAL BASE SALARY RANGE FROM 60,000 FRANCS TO 93,000 FRANCS. GRANT 85 COST OF LIVING INCREASE; D) MIDDLE AND HIGHER LEVELS PROFESSIONAL STAFF - GRADES L5, A4 TO 7, ANNUAL BASE SALARY RANGE FROM 99,000 FRANCS TO 150,000 FRANCS - GRANT 75 OF COST OF LIVING INCREASE.

4. ALTHOUGH THERE IS INCREASING MEASURE OF SUPPORT FOR ESTABLISHING PERCENTAGE LIMITS ON COST OF LIVING INCREASES THERE IS STILL MAJOR DISAGREEMENT ON SPECIFIC ASPECTS OF IMPLEMENTATION; A) FREQUENCY - MOST DELEGATIONS HAVE

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EXPRESSED DESIRE HAVE AUTOMATIC PROCEDURE FOR GRANTING COST OF LIVING SALARY ADJUSTMENTS EVERY SIX MONTHS (JULY 1 AND JANUARY 1) ON BASIS OF FIRM STATISTICS FOR FIRST 4 OR 5 MONTHS AND ESTIMATED FIGURE FOR LAST MONTH(S). IN BILATERAL DISCUSSIONS, U.S. REP TO CCG HAS NOT RECEIVED ANY INDICATION SUPPORT FOR MAKING ADJUSTMENTS DISCRETIONARY. ONLY U.S. AND GERMANY HAVE CALLED FOR HAVING FULL SIX MONTH COST OF LIVING STATISTICS AVAILABLE PRIOR CONSIDERING BI-ANNUAL SALARY ADJUSTMENTS; B) EFFECTIVE DATE - U.S. AND UK HAVE PRESSED FOR PROPOSED COST OF LIVING FORMULA TO BE APPLIED AT EARLIEST POSSIBLE DATE SUCH AS ANNUAL REVIEW SCHEDULED JULY 1, 1975 WHILE GERMANY AND BELGIUM FAVOR HAVING JULY ANNUAL REVIEW UNDER EXISTING PROCEDURE AND INSTITUTING ANY NEW PROCEDURE AT TIME OF SEMI-ANNUAL REVIEW ON JANUARY 1, 1976; C) APPLICABILITY TO PENSIONERS - GENERAL CONSENSUS IS TO RECOMMEND FULL COST OF LIVING ADJUSTMENTS FOR PENSIONERS; D) EXCEPTIONAL REVIEWS - MOST DELEGATIONS WILLING CONSIDER GRANTING EXCEPTIONAL COST OF LIVING ADJUSTMENTS FOR SALARIES PROVIDEDN EIGHT LIMITED OFFICIAL USE

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TO TEN PERCENT THRESHHOLD RATE HAS BEEN EXCEEDED DURING FIRST FIVE MONTHS OF SEMI-ANNUAL REVIEW PERIOD.

5. KUNZIG (NATO) AND BERLINE (OECD) OPPOSED ANY CHANGE IN EXISTING COST OF LIVING PROCEDURES AND WILL LIKELY CONTINUE OPPOSE PROPOSED NEW PROCEDURES IN SUBSEQUENT CCG AND COUNCIL DISCUSSIONS.

6. ADDITIONAL INFORMATION REQUESTED IN PARA. 3, REF A), BEING PREPARED BY SECRETARIAT AND WILL BE POUCHED TO EUR/RPE.
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